



# SpareBank 1 SMN's Fourth Reporting for Signatories of the Principles For Responsible Banking

April 30<sup>th</sup> 2024



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Principles for Responsible Banking

Reviewed version (V2) from September 2022



## Reporting and Self-Assessment Template

The following template sets out the reporting and self-assessment requirements for Signatories of the Principles for Responsible Banking (PRB). Your bank discloses which actions it has undertaken to implement the PRB by self-assessing its progress on each of the 6 Principles. This template is therefore structured in accordance with the 6 Principles that signatories have committed to.

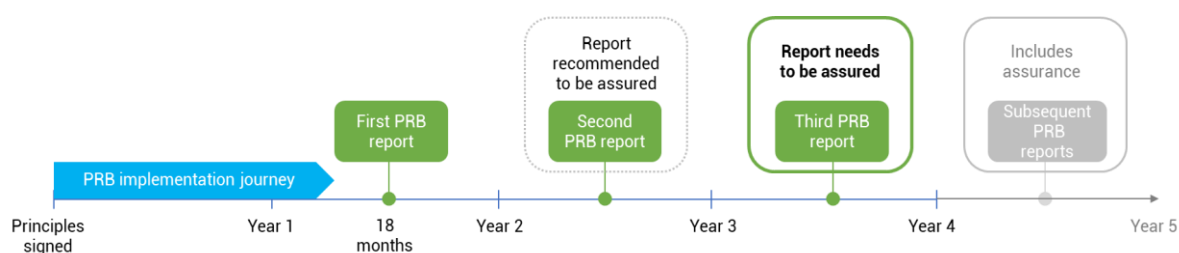
Three [Key Steps](#) are critical to showing that your bank is fulfilling its commitments as a signatory of the PRB, i.e. Impact Analysis, Target Setting & Implementation and Assured Reporting/Accountability. The sections in the Reporting and Self-Assessment Template that relate to the 3 Key Steps also require a self-assessment summary to demonstrate the extent to which the bank has fulfilled the respective requirements of the Key Steps.

### Accommodating different starting points

Your bank has an initial four-year period from signing to implement the 6 Principles including to bring its reporting fully in line with the requirements. Your bank may not be able to provide all information required in this template in the first report. You should build on your implementation progress annually. Feedback, support, capacity building, training and peer learning are available to all signatory banks to help them progress with both implementation and reporting.

### Timeline for reporting and assurance

Signatory banks need to report on their implementation of the Principles on an annual basis. The first PRB report has to be published within 18 months of signing the Principles, to give the bank some flexibility to align the PRB reporting with its reporting cycle. Publishing the first PRB report at any point earlier than 18 months after signing the Principles is therefore an option. After the first PRB reporting has been published, subsequent reports have to be published annually thereafter, i.e. within 12 months at the latest after the prior report<sup>1</sup>.



### Assurance

The last report within the initial 4 year implementation period (and subsequent reports thereafter) needs to be assured, which means that at least the third PRB report needs to be assured. Banks are encouraged to put the assurance process in place well before that and have earlier PRB reports already assured.

<sup>1</sup> Early reporting is permitted, although sufficient time to show progress from one year to the other should be taken into account.

All items that relate to the three [Key Steps](#) (highlighted in yellow) require limited assurance by year four of signing the PRB, undertaken by an independent third party with relevant expertise in the field. These are:

- 2.1 Impact Analysis
- 2.2 Target Setting
- 2.3 Target Implementation and Monitoring
- 5.1 Governance Structure for Implementation of the Principles

An assurer provides limited assurance of your self-assessment in these listed areas. You can do this by including it in your existing assured reporting. Where third-party assurance is not feasible, an independent review may be conducted. Assurance requirements are described in more detail in the [Guidance for Assurance providers: Providing limited assurance for reporting](#).

## Purpose of the template

The purpose of this template is to assist signatories in disclosing their progress on implementing the PRB. The disclosed information is used by the UNEP FI Secretariat as the basis for the individual review of each bank's progress, as well as for reporting the collective progress made by the PRB Signatory Group. To measure collective progress in a consistent manner, some standardized questions to be completed by the banks are integrated into the template. The open questions give banks the flexibility to disclose the progress they make, considering the diverse business models and various contextual differences in which banks operate.

# How to use this template

This template gives banks the chance to provide summaries of the annual progress made in implementing each Principle. It is designed for your bank to provide references/links to where in your existing reporting/public domains (websites) the required information can be found to support your answers. The aim is to keep any additional reporting burden to a minimum while ensuring transparency and accountability as set out in Principle 6. When referring to other documents, please specify the pages where the exact information appears.

The Reporting and Self-Assessment Template shall not be amended structurally and content-wise. The content and text of the template can be applied to corporate layout and designed accordingly, without omitting parts of the texts. The Reporting and Self-Assessment Template can be integrated into your bank's reports (annual report, sustainability report or relevant reporting formats) or can be published as a stand-alone document. It needs to be publicly available and will be listed on the UNEP FI Signatories page.

The reporting needs to be published in English. Information that is referenced to within the Reporting and Self-Assessment Template should also be available in English. Where that is not possible, it is recommended to include the summary of relevant information as text in the Template, so that all necessary information can be taken into account when the UNEP FI Secretariat reviews the bank's performance.

# Principle 1: Alignment



We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

## Business model

Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank's portfolio (%) in terms of geographies, segments (i.e. by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.

### Response

SpareBank 1 SMN is an independent regional savings bank and the region's leading financial services group. Together with our subsidiaries and affiliates, we are a complete financial centre catering to both the retail and the corporate market. With subsidiaries, and the merger with SpareBank 1 Søre Sunnmøre included, we have about 1,740 employees at the end of 2023.

SpareBank 1 SMN is one of six owners of SpareBank 1-alliansen. Through this alliance we offer competitive products in the fields of financing, savings and investment, insurance and payment services along with estate agency, leasing, accounting services and capital market services.

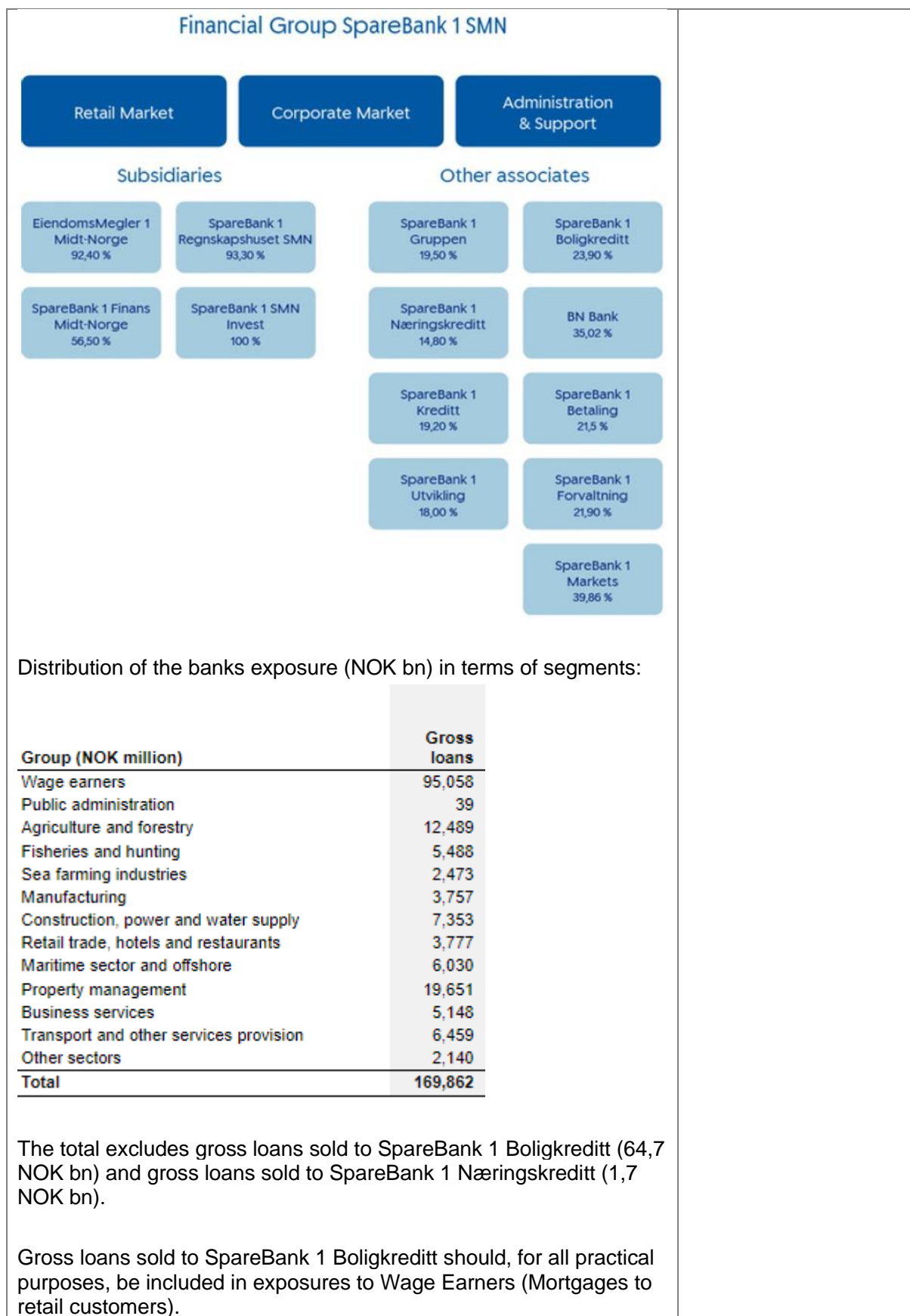
SpareBank 1 SMN is organised under the following structure:

### Links and references

Annual report 2023 – This is SpareBank 1 SMN (page 8-10).

Annual report 2023 – SpareBank 1 SMN's organisational set-up (page 11-13).

Note 8 – Loans and advances to customers (page 145-149).



Distribution of the banks exposure (NOK bn) in terms of geographical area:

Group (NOK million)	Gross loans
Trøndelag	99,368
Møre og Romsdal	40,038
Nordland	1,374
Oslo	10,211
Rest of Norway	18,541
Abroad	329
<b>Total</b>	<b>169,862</b>

The total excludes gross loans sold to SpareBank 1 Boligkreditt (64,7 NOK bn) and gross loans sold to SpareBank 1 Næringskreditt (1,7 NOK bn). Gross loans sold to SpareBank 1 Boligkreditt are exposures to private households in Trøndelag and More og Romsdal.

### Strategy alignment

**Does your corporate strategy identify and reflect sustainability as strategic priority/ies for your bank?**

- Yes
- No

Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.

**Does your bank also reference any of the following frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to implement these?**

- UN Guiding Principles on Business and Human Rights
- International Labour Organization fundamental conventions
- UN Global Compact
- UN Declaration on the Rights of Indigenous Peoples
- Any applicable regulatory reporting requirements on environmental risk assessments, e.g. on climate risk - please specify which ones: -----
- Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery - please specify which ones: -----
- None of the above

*Response*

The Group's strategies aim to ensure integration of sustainability throughout the Group's different business units (retail and corporate lending, investments, accounting, brokerage). The measures implemented through the Group's sustainability and climate strategies relate to financing, procurement, advisory, customer

*Links and references*

Annual report 2023- Our sustainability effort/Introduction (Page 41-43)

offerings and competence enhancement. Key performance indicators relating to the Group's different measures has been developed and are continuously being monitored and is subject to periodic reporting to the board and executive team management. The Group's overarching climate-target is to achieve net zero greenhouse gas emissions from financing and day-to-day operations by the end of the 2050.

The Group's strategies is designed to make sure that the Group's business models are able to withstand the transition that society and business are going through. The Group's strategies focuses on achieving the Group's growth ambitions and financial goals while being compliant with applicable national and international laws and regulations, as well as policies related to climate and climate transition.

In August 2023, the board decided that validated goals in line with the Science Based Targets initiative (SBTi) should be developed for all significant sectors in the Group's loan portfolio. A public commitment to reduce GHG-emissions in line with a 1.5-degree trajectory (The Paris Agreement) was submitted to SBTi on October 6, 2023. This commitment entails that over the next two years, SpareBank 1 SMN will develop and seek approval for both short-term and long-term targets, along with associated action plans, leading up to 2050.

In 2023, we also set up an internal project group with resources from several business lines to develop a framework for circular transition in the group. Two stages are involved: the first focusing on the group's day-to-day operations, the second focusing on the loan portfolios.

Annual report 2023 – Reducing the carbon footprint in loan portfolios (Page 62-63)

Annual report 2023 – Carbon footprint in day-to-day operations (Page 92-93)

[Sustainability Strategy](#)

SpareBank 1 SMN Pillar 3 disclosures ([Capital adequacy](#) | [SpareBank 1 SMN](#))

## Principle 2: Impact and Target Setting



We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

### 2.1 Impact Analysis (Key Step 1)

Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting. The impact analysis shall be updated regularly<sup>2</sup> and fulfil the following requirements/elements (a-d)<sup>3</sup>:

<sup>2</sup> That means that where the initial impact analysis has been carried out in a previous period, the information should be updated accordingly, the scope expanded as well as the quality of the impact analysis improved over time.

<sup>3</sup> Further guidance can be found in the [Interactive Guidance on impact analysis and target setting](#).



<p><b>a) <u>Scope:</u></b> What is the scope of your bank’s impact analysis? Please describe which parts of the bank’s core business areas, products/services across the main geographies that the bank operates in (as described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.</p>	
<p><i>Response</i></p> <p>The impact analysis was prepared by the Group’s ESG-committee in collaboration with external consultants from EY Norway. The Group’s core business areas (retail and corporate lending, brokerage and accounting services), across the geographic areas in which the Group operates, was included in the analysis. No business areas nor geographical locations was excluded.</p> <p>The impact analysis was conducted in the latter part of 2022, and to make sure that our focal areas are in line with the expectations, preferences and perspectives of our stakeholders, we are currently updating our impact analysis as a part of our double materiality analysis. The process of updating the double materiality analysis is expedited to meet new sustainability regulations (CSRD), and is expected to be finalized in May 2024.</p>	<p><i>Links and references</i></p> <p>Annual report 2023 – Our focal areas (Page 43-44).</p> <p>Annual report 2023 - Up-coming statutory requirements and regulation (Page 45-47).</p> <p><a href="#">Group impact analysis</a></p>
<p><b>b) <u>Portfolio composition:</u></b> Has your bank considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition of your portfolio globally and per geographical scope</p> <p>i) by sectors &amp; industries<sup>4</sup> for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or</p> <p>ii) by products &amp; services and by types of customers for consumer and retail banking portfolios.</p> <p>If your bank has taken another approach to determine the bank’s scale of exposure, please elaborate, to show how you have considered where the bank’s core business/major activities lie in terms of industries or sectors.</p>	
<p><i>Response</i></p> <p>The portfolio analysis was performed with a basis in UNEP FI Impact Analysis Tool v3. The tool is populated with the bank’s and SpareBank 1 Finans’ business data, which in combination with pre-completed data provides an estimate of the group’s largest potential negative and positive impact areas.</p> <p>Sector analyses were done with a basis in the SASB’s Materiality Finder<sup>5</sup> and the MSCI’s Materiality Map.</p> <p>The bank’s exposure to financed greenhouse gas emissions and ESG risks was obtained from the group’s PCAF and ICAAP reports</p>	<p><i>Links and references</i></p> <p><a href="#">Group impact analysis</a></p>

<sup>4</sup> ‘Key sectors’ relative to different impact areas, i.e. those sectors whose positive and negative impacts are particularly strong, are particularly relevant here.

<sup>5</sup> [Find Industry Topics - SASB](#)

The analysis for Regnskapshuset was done by identifying which sectors account for Regnskapshuset's largest revenues.

The analysis for EiendomsMegler 1 Midt-Norge is based on the distribution of energy ratings for dwellings sold since the start of 2021.

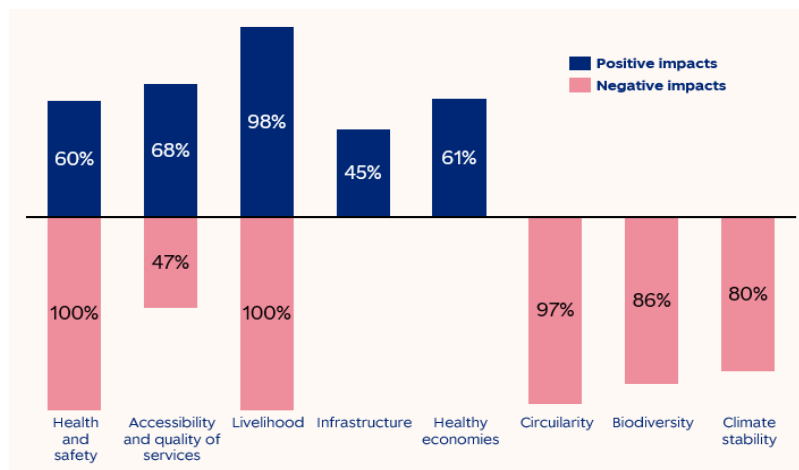
**c) Context:** What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate?<sup>6</sup> Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.

*This step aims to put your bank's portfolio impacts into the context of society's needs.*

**Response**

- Large corporates customers representing the following sectors were interviewed: Fishery, Fish farming, Construction, Property and Shipping/Offshore. These customers cover five of the most emission intensive sectors in the Corporate Portfolio.
- Digital surveys were sent (without obligation) to a randomised selection of 3,000 retail customers with residential mortgages, 3,000 retail customers with financial products and 3,000 small and medium sized businesses that are customers of Regnskapshuset.
- All 1,600 employees in the group (this was before the merger with SpareBank 1 Søre Sunnmøre) had the opportunity to respond to the survey.

Main challenges corporate customers in our region is facing:



Main challenges retail customers in our region is facing:

**Links and references**

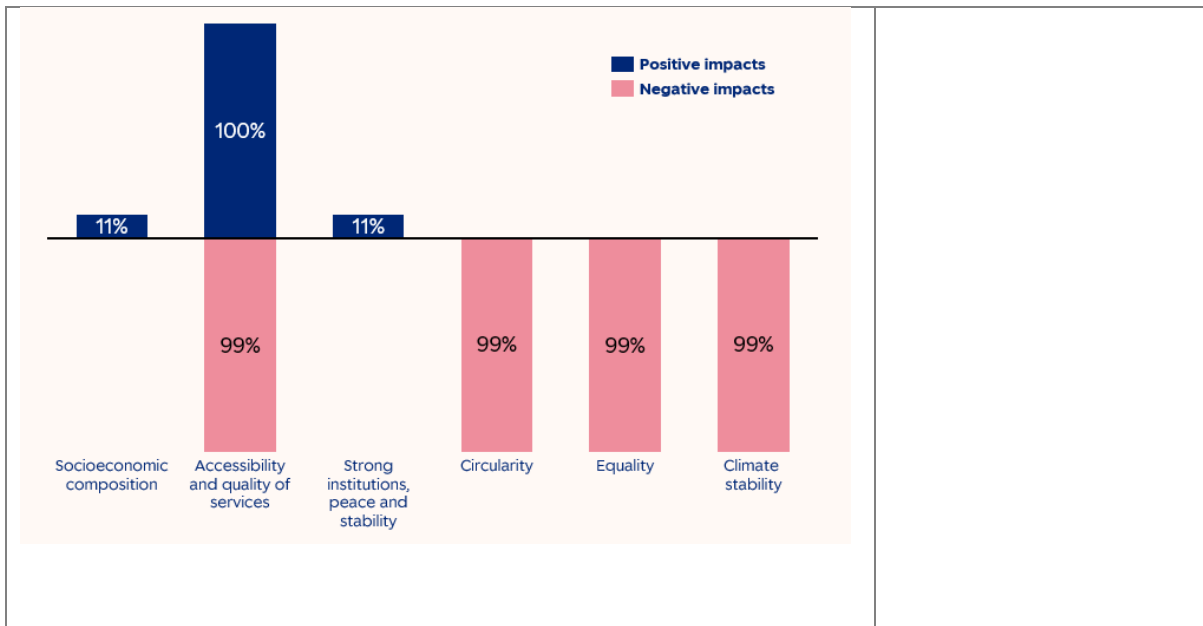
Annual report 2023 – our sustainability effort/Introduction (page 41-42).

[Stakeholder dialogue](#)

[Group impact analysis](#)

[Group materiality analysis](#)

<sup>6</sup> Global priorities might alternatively be considered for banks with highly diversified and international portfolios.



Based on these first 3 elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritize to pursue your target setting strategy (see 2.2)<sup>7</sup>? Please disclose.

*Response*

Our assessment of the Group’s positive impact areas:

Livelihood	Availability of resources and services	Healthy economies
<ul style="list-style-type: none"> <li>Stimulate local business development and value creation</li> <li>Stimulate retention and recruitment of competences and working people in the region</li> </ul>	<ul style="list-style-type: none"> <li>Ensure fair access to finance</li> <li>Offer and strengthen social products and services</li> <li>Stimulate local business development and value creation</li> </ul>	<ul style="list-style-type: none"> <li>Set the stage for long-term returns and profits</li> <li>Stimulate innovation and sustainable economic growth</li> <li>Stimulate local business development and value creation</li> </ul>

*Links and references*

[Group materiality analysis](#)

Our assessment of the Group’s negative impact areas:

Circularity	Biodiversity	Health and safety
<ul style="list-style-type: none"> <li>Stimulate a more circular economy</li> <li>Stimulate sustainable consumption and lifestyle</li> <li>Stimulate a green transition for retail customers and corporates</li> </ul>	<ul style="list-style-type: none"> <li>Protect and restore ecosystems and biodiversity</li> <li>Contribute to the protection of water and maritime resources</li> <li>Prevent and combat deforestation</li> <li>Stimulate a green transition for retail customers and corporates</li> </ul>	<ul style="list-style-type: none"> <li>Contribute to increased awareness of a good quality of life and mental health</li> <li>Strengthen data protection and cybersecurity</li> <li>Prevent and combat economic crime and corruption</li> </ul>

The following material topics are prioritized:

<sup>7</sup> To prioritize the areas of most significant impact, a qualitative overlay to the quantitative analysis as described in a), b) and c) will be important, e.g. through stakeholder engagement and further geographic contextualisation.

Category	Prioritised material themes
Climate and environment (E)	Stimulate green transition of personal customers and corporates. Reduce carbon footprint in day-to-day operations and loan portfolios. Offer green products and services. Contribute to raising customers' competence Contribute to management of climate risks
Social (S)	Stimulate innovation and sustainable economic growth. Stimulate local business development and value creation. Offer competence-raising programs to group employees. Seek new partnerships and collaboration in order to realise sustainability goals.
Business ethics/corporate governance (G)	Prevent and combat economic crime and corruption. Strengthen data protection and cybersecurity. Comply with requirements and obligations on personal data processing. Observe ethical standards.

The prioritized material topics gave rise to four focal areas which set the strategic direction for SpareBank 1 SMN in the current period:

- Responsible lending and investments
- Advisory services and customer offering
- Sustainable transition of Mid-Norway
- Sustainable transition in SpareBank 1 SMN

These focal areas are also guiding on how the annual report is structured.

**d) For these (min. two prioritized impact areas): *Performance measurement.*** Has your bank identified which sectors & industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts? Please describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank's context.

In determining priority areas for target-setting among its areas of most significant impact, you should consider the bank's current performance levels, i.e. qualitative and/or quantitative indicators and/or proxies of the social, economic and environmental impacts resulting from the bank's activities and provision of products and services. If you have identified climate and/or financial health&inclusion as your most significant impact areas, please also refer to the applicable indicators in the [Annex](#).

If your bank has taken another approach to assess the intensity of impact resulting from the bank's activities and provision of products and services, please describe this.

*The outcome of this step will then also provide the baseline (incl. indicators) you can use for setting targets in two areas of most significant impact.*

### Response

Our insight from the Group's materiality analysis has resulted in four focal areas for performance measurement:

- Responsible lending and investments
- Advisory services and customer offering
- Sustainable transition of Mid-Norway
- Sustainable transition at SpareBank 1 SMN

Based on the focal areas, the group has identified a number of key performance indicators (KPI). These KPI's can be found in our annual report, and performance is being monitored regularly.

The key performance indicators will be integrated as part of our regular business management practices:

- The business units will include ESG performance indicators in strategic planning.
- The Group's ESG-committee will coordinate best practice
- Group management will consider capacity and evaluate progress to improve performance and accelerate transition
- The board of directors will get regular updates on the group's performance on ESG related matters.

The Group's KPI's include different ESG-aspects such as economic crime, information security, procurement, energy performance certification, social and environmental services and GHG-emissions, among others.

Managing our efforts to contribute to climate mitigation and adaptation helps us reduce our clients climate risks, consequently our portfolios climate risk, and thus reducing our credit risk. We are committed to measure and reduce gas emissions in our day-to-day-operations and in our loan portfolios.

We aim to develop transition plans on a sectorial basis, starting with the sectors in which we have the greatest exposure, as well as GHG-emissions: Agriculture, fishery, commercial buildings and households. Transition plans are under development for the remainder of sectors we are exposed to. We aim to align our own transition plans with SBTi's sectorial guidance, in line with our commitment to SBTi.

Circular economy is expected to play a substantial role in business and industry in years to come, and we wish, as a green driver, to take on our share of the responsibility for the transition. In 2023, as a direct consequence of the Group's materiality analysis, we set up an internal project group with resources from several business lines

### Links and references

[Group materiality analysis](#)

Annual report 2023 – Our focal areas (Page 43-45).

to develop a framework for circular transition in the group. Two stages are involved: the first focusing on the group's day-to-day operations, the second focusing on the loan portfolios.	
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### Self-assessment summary:

Which of the following components of impact analysis has your bank completed, in order to identify the areas in which your bank has its most significant (potential) positive and negative impacts?<sup>8</sup>

Scope:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Portfolio composition:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Context:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Performance measurement:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No

Which most significant impact areas have you identified for your bank, as a result of the impact analysis?

*Climate change mitigation, climate change adaptation, resource efficiency & circular economy, biodiversity, financial health & inclusion, human rights, gender equality, decent employment, water, pollution, other: please specify*

How recent is the data used for and disclosed in the impact analysis?

- Up to 6 months prior to publication
- Up to 12 months prior to publication
- Up to 18 months prior to publication
- Longer than 18 months prior to publication

Open text field to describe potential challenges, aspects not covered by the above etc.:  
(optional)

<sup>8</sup> You can respond "Yes" to a question if you have completed one of the described steps, e.g. the initial impact analysis has been carried out, a pilot has been conducted.



## 2.2 Target Setting (Key Step 2)

Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis.

The targets<sup>9</sup> have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately:

**a) Alignment:** which international, regional or national policy frameworks to align your bank's portfolio with<sup>10</sup> have you identified as relevant? Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks.

*You can build upon the context items under 2.1.*

### Response

The Group supports the following national and international agreements in our work on integrating sustainability into the business:

- UN's sustainability goals
- Paris Agreement
- ILO Conventions 100 and 111
- International Covenant on Economic, Social and Cultural Rights
- Working Environment Act
- Equality and Anti-Discrimination Act

We have signed and/or endorse the following principles and standards:

- UN Principles for Responsible Banking (UNEPFI)
- UN Global Compact (UNGC Norway)
- Partnership for Carbon Accounting Financials (PCAF)
- Task Force on Climate-Related Financial Disclosure (TCFD)
- Global Reporting Initiative (GRI)
- Science Based Targets initiative (SBTi)
- Eco-Lighthouse Foundation
- Guide Against Greenwashing

Sustainable value creation is integral to the group's goals. We work with all UN sustainability goals on a broad front. However, based on our business lines and the updated materiality analysis, eight of those goals have somewhat higher priority.

- Goal 8: Decent work and economic growth
- Goal 9: Industry, innovation and infrastructure
- Goal 10: Reduced inequalities
- Goal 11: Sustainable cities and communities
- Goal 12: Responsible consumption and production
- Goal 13: Climate action
- Goal 16: Peace, justice and strong institutions
- Goal 17: Partnerships for the goals

### Links and references

[Sustainability Strategy](#)

[Group materiality analysis](#)

Goal no. 17 is particularly central for SpareBank 1 SMN and underpins our vision: 'Together we make things happen'

**b) *Baseline:*** Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline.

*You can build upon the performance measurement undertaken in 2.1 to determine the baseline for your target.*

*A package of indicators has been developed for climate change mitigation and financial health & inclusion to guide and support banks in their target setting and implementation journey. The overview of indicators can be found in the [Annex](#) of this template.*

If your bank has prioritized climate mitigation and/or financial health & inclusion as (one of) your most significant impact areas, it is strongly recommended to report on the indicators in the Annex, using an overview table like below including the impact area, all relevant indicators and the corresponding indicator codes:

<i>Impact area</i>	<i>Indicator code</i>	<i>Response</i>
<i>Climate change mitigation</i>	...	
	...	
	...	

<i>Impact area</i>	<i>Indicator code</i>	<i>Response</i>
<i>Financial health &amp; inclusion</i>	...	
	...	
	...	

In case you have identified other and/or additional indicators as relevant to determine the baseline and assess the level of alignment towards impact driven targets, please disclose these.

<i>Response</i>	<i>Links and references</i>
Based on the Group's materiality analysis and the transition phase in which the region and the Group currently find themselves, the Group has identified a broad set of ESG-KPI's:	Annual report 2023 – Our focal areas (Page 43-45).

<sup>9</sup> Operational targets (relating to for example water consumption in office buildings, gender equality on the bank's management board or business-trip related greenhouse gas emissions) are not in scope of the PRB.

<sup>10</sup> Your bank should consider the main challenges and priorities in terms of sustainable development in your main country/ies of operation for the purpose of setting targets. These can be found in National Development Plans and strategies, international goals such as the SDGs or the Paris Climate Agreement, and regional frameworks. Aligning means there should be a clear link between the bank's targets and these frameworks and priorities, therefore showing how the target supports and drives contributions to the national and global goals.

	Target 2023	Result 2023	Target 2024
<b>Responsible lending and investments</b>			
Losses due to fraud <sup>10)</sup>	< 10.000.000 NOK	15.660.000 NOK	< 22.500.000 NOK
Share of managers and employees having completed e-learning course in AML and anti-terrorist financing	100 %	97 %	100 %
Corporate loan volumes with ESG-score	75 %	87 %	90 %
Retail loan volumes with ESG-score <sup>1)</sup>	20 %	0 %	20 %
Share of loans that meet the requirements for green bonds	Under development <sup>3)</sup>	19,1 % <sup>2)</sup>	Under development <sup>3)</sup>
Total greenhouse gas emissions from loan portfolios	1.000 (1000 tCO <sub>2</sub> e)	1.034 (1000 tCO <sub>2</sub> e)	SBTr <sup>4)</sup>
Share of homes in the loan portfolio with energy performance certificates	90 %	42 %	70 %
Share of commercial properties in the loan portfolio (>1.000 m <sup>2</sup> ) with energy performance certificates	75 %	21 %	90% of new grants
<b>Advisory services and customer offering</b>			
Sales volume of products and services with an environmental benefit <sup>5)</sup>	2.000.000.000 NOK	2.516.000.000 NOK	3.000.000.000 NOK
Sales volume of products and services with a social benefit <sup>6)</sup>		0	
Category score for sustainability in WinningTemp <sup>7)</sup>	7.4	7.3	8
Share of managers and employees having completed e-learning course in ethics	100 %	94 %	100 %
No. of documented complaints of breaches of data privacy or loss of customers data	0	12	0
<b>Sustainable transition of Mid-Norway</b>			
No. of participants in meeting places and innovation activities	7.000 participants 250 entrepreneur- and youth enterprises	5.790 participants 300 entrepreneur- and youth enterprises	6.000 participants 250 entrepreneur- and youth enterprises
No. of participants in competence and development programmes	50-100	270	500
Share of large corporate customers with credit commitments who have carbon accounting reports <sup>8)</sup>	25 %	24 %	25 %
<b>Sustainable transition in SpareBank 1 SMN</b>			
Share of Group's significant procurements (> NOK 100,000) from suppliers with carbon accounting reports	50 %	68 %	80 %
Share of managers and employees having completed e-learning course in information security	100 %	90 %	100 %
Category score for diversity, inclusion and equality in WinningTemp <sup>9)</sup>	N/A	N/A	N/A
Total greenhouse gas emissions from day-to-day operations	16,4 (1000 tCO <sub>2</sub> e)	18,5 (1000 tCO <sub>2</sub> e)	SBTr <sup>4)</sup>
<p><sup>1)</sup> The model for ESG-scoring of our retail loan portfolio is at the reporting date not yet developed by the SpareBank 1 Alliance.</p> <p><sup>2)</sup> Based on existing framework per januar 2024.</p> <p><sup>3)</sup> An official definition of the 15 % most energy effective buildings is not available, and access to reliable data is necessary to ensure a robust approach.</p> <p><sup>4)</sup> Our targets related to greenhouse gas emissions is as of 2023 under development in conjunction with our commitment to SBTi.</p> <p><sup>5)</sup> Products and services with an environmental benefit is defined as green products from our product hierarchy. This deviates from the EU Taxonomy. Our disclosures related to the EU Taxonomy can be found under the focal area "Responsible lending and investments".</p> <p><sup>6)</sup> Our customers offering is a result of demands from the municipalities in our portfolio, and we have no specific products and services serving a social benefit as per 2023.</p> <p><sup>7)</sup> Our employee development tool.</p> <p><sup>8)</sup> "Large corporate customers" exceed two out of three following criteria: turnover &gt; 400 MNOK, balance sheet total &gt; MNOK 200 and number of employees &gt; 250.</p> <p><sup>9)</sup> We have updated the sustainability module in WinningTemp, and this key performance indicator is now a part of the key performance indicator "Category score sustainability in WinningTemp".</p> <p><sup>10)</sup> Losses due to fraud is defined as expenses due to fraud committed to the banks customers, repaid by the bank</p>			

**c) SMART targets** (incl. key performance indicators (KPIs)<sup>11)</sup>: Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose.

*Response*

*Links and references*

<sup>11)</sup> Key Performance Indicators are chosen indicators by the bank for the purpose of monitoring progress towards targets.

Responsible lending and investments	Target 2023	Results 2023	Target 2024
Losses due to fraud	< 10,000,000 NOK	15,660,000 NOK	< 22,500,000 NOK
Share of managers and employees having completed e-learning course in anti-money laundering and anti-terrorist financing	100 %	97 %	100 %
Loan volume to corporate customers with ESG score	75 %	87 %	90 %
Loan volume to retail customers with ESG score <sup>1)</sup>	20 %	0 %	20 %
Share of loans that meet the requirements for green bonds	Under development	19,1 % <sup>2)</sup>	Under development <sup>3)</sup>
Total greenhouse gas emissions from loan portfolios	1,000 (1000 tCO <sub>2</sub> e)	1,034 (1000 tCO <sub>2</sub> e)	SBT <sup>4)</sup>
Share of dwellings in the loan portfolio with an energy rating	90 %	42 %	70 %
Share of commercial properties in the loan portfolio (>1,000m <sup>2</sup> ) with an energy rating	75 %	21 %	90% of new loans granted

<sup>1)</sup> The ESG scoring model for the retail market portfolio has so far not been prepared by the SpareBank 1 Alliance.

<sup>2)</sup> Based on the existing framework as per January 2024.

<sup>3)</sup> An official definition of the 15% most energy-efficient buildings is not yet available. Access to reliable data is needed to ensure a robust approach.

<sup>4)</sup> Our objectives as regards greenhouse gas emissions are under preparation as from 2023 in connection with our commitment to SBTi.

Sustainable transition of Mid-Norway	Target 2023	Results 2023	Target 2024
No. of participants in meeting places and innovation activities	7,000 participants	5,790 participants	6,000 participants
No. of participants in meeting places and innovation activities	250 start-up and youth enterprises	300 start-up and youth enterprises	250 start-up and youth enterprises
Share of large corporate customers with credit exposure that have a climate account <sup>1)</sup>	25 %	24 %	25 %

<sup>1)</sup> Large customers exceed two of the three following criteria: turnover > NOK 200m, balance sheet total > NOK 200m, no. of employees > 250

Annual report 2023 – Our focal areas (Page 43-45).

**d) Action plan:** which actions including milestones have you defined to meet the set targets? Please describe.

Please also show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.

*Response*

We are still in the process of developing transition plans per industry that we finance. Based on our analysis, the preparation of transition plans will be prioritised with reference to each industry's emissions intensity.

The transition plans will contribute to our effort to reduce financed greenhouse gas emissions and at the same time reduce our customers' vulnerability to climate changes, in particular transition risk.

In 2022 we finalised transition plans for agriculture, and are drawing up transition plans for fishery, shipping, offshore and commercial property.

In 2023 we finalised transition plans for fishery and commercial properties. We aim to finalise Shipping and Offshore in 2024.

Further consideration of negative impact for our customers, is work in progress. This will be solved through active dialogue and impact strategies. This is also a focal area when updating the impact analysis as a part of the double materiality analysis in 2024.

*Links and references*

## Self-assessment summary

Which of the following components of target setting in line with the PRB requirements has your bank completed or is currently in a process of assessing for your...

	... first area of most significant impact: ... <i>(please name it)</i>	... second area of most significant impact: ... <i>(please name it)</i>	<i>(If you are setting targets in more impact areas) ...your third (and subsequent) area(s) of impact: ... (please name it)</i>
	1. Responsible lending and investments	2. Advisory services and customer offering	3. Sustainable transition of Mid-Norway  4. Sustainable transition in SpareBank 1 SMN
Alignment	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
Baseline	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
SMART targets	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
Action plan	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No

## 2.3 Target implementation and monitoring (Key Step 2)

**For each target separately:**

Show that your bank has implemented the actions it had previously defined to meet the set target.

Report on your bank's progress since the last report towards achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2.

**Or, in case of changes to implementation plans (relevant for 2<sup>nd</sup> and subsequent reports only):** describe the potential changes (changes to priority impact areas, changes to indicators, acceleration/review of targets, introduction of new milestones or revisions of action plans) and explain why those changes have become necessary.

*Response*

The latest update of our double materiality analysis, which was carried out in autumn 2022, showed that many of the expectations from 2020 still applied at the same time as some new topics came to the fore. We've identified four focal areas:

- Responsible lending and investments
- Advisory services and customers offering
- Sustainable transition of Mid-Norway
- Sustainable transition in SpareBank 1 SMN

These focal areas form the basis for our key performance indicators (KPIs) which function as drivers for our transition. Monitoring is performed by the respective business areas. Strategic initiatives are followed up quarterly by the group's management and the board of directors. The group's corporate governance model is under development. Target attainment and status as regards to the group's KPI's will be reported to the group's management and the board of directors regularly going forward.

This year we have targeted our work towards completing the KPI table. Completing the KPIs has required new tools, data points and work processes, and the work has taken somewhat longer than envisaged.

During 2023 the KPI's have been revised and further refined. We believe that these KPI's will be relevant following the update of the Group's double materiality analysis.

In the coming year we will continue prioritizing the anchoring of current and any new KPIs that arise as a result of the update to the double materiality analysis.

We've had ambitious targets regarding GHG-emissions from day-to-day operations and loan portfolios, aswell as EPC's in both retail and corporate loan portfolios. We also seek to reflect the responsibility we undertake in conducting business through targets involving ethics, AML, supply chain and society.

We are happy to share that we've screened 87 % of the corporate customer base with engagements exceeding NOK 10 million by

*Links and references*

year end using the ESG-model developed in collaboration with the SpareBank 1 Alliance. This exceeds our target of > 75 %.

A similar scoring model for retail customers is yet to be developed, and targets will be implemented and monitored following this development.

We've adjusted targets relating to EPC's in both retail and corporate loan portfolios, realizing that the ambitions were too distant from reality in regards to the speed of the transition. We believe our targets for 2024 are within reach, especially considering the use of Eiendomsverdi's (leading provider of data and property value estimation tools) "estimated EPC's" of households lacking valid EPC.

Competencies regarding ethics, AML and information security is a vital part of the way we conduct responsible business. Each manager within different business areas is accountable for ensuring that respective employees undergo relevant training on these topics.

# Principle 3: Clients and Customers



We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

## 3.1 Client engagement

Does your bank have a policy or engagement process with clients and customers<sup>12</sup> in place to encourage sustainable practices?

Yes       In progress       No

Does your bank have a policy for sectors in which you have identified the highest (potential) negative impacts?

Yes       In progress       No

Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities<sup>13</sup>). It should include information on relevant policies, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

*This should be based on and in line with the impact analysis, target-setting and action plans put in place by the bank (see P2).*

### Response

SpareBank 1 SMN aims to stimulate a sustainable development of our region. This is laid down as a strategic priority and is an integral aspect of the group strategy for the current period. The group's sustainability strategy is designed to render our financial goals achievable and to create value for our customers, owners and employees through being a:

- Driver for the green transition
- Partner for the inclusive development of society
- Guide for a responsible business culture

The strategic objective for our climate readjustment is to reduce the group's total greenhouse gas emissions by 90-95 per cent (achieve 'net zero emissions') by 2050. A key milestone in this effort is to cut emissions by 50-55 per cent by 2030. As a natural follow-up to this ambitious objective of net zero emissions, we have in 2023 committed to the Science Based Targets initiative (SBTi).

Sustainability is integrated into all business lines and support functions in the group, including day-to-day operations, customer offering and distribution of community dividend. We view sustainability both as a financial risk and a business opportunity.

### Links and references

[Sustainability strategy](#)

[Sustainability policy](#)

[Sustainability in retail banking division](#)

[Sustainability in corporate banking division](#)



Members of the Group’s executive management team have responsibility for achieving strategic sustainability goals in the areas for which they are responsible. The group’s sustainability efforts are regularly reviewed by the bank’s board of directors and by the management boards of the group’s subsidiaries.

The different business areas have selected indicators to follow-up on client engagement.

### 3.2 Business opportunities

Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period. Provide information on existing products and services , information on sustainable products developed in terms of value (USD or local currency) and/or as a % of your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (e.g. green mortgages – climate, social bonds – financial inclusion, etc.).

#### *Response*

Developing new, sustainable revenue flows is a part of the group’s growth strategy. In order to ensure long-term profitability and competitive power, we are allocating increased focus to expanding our commercial offering of products and services that feature climate, natural, societal and social benefits. This is an important step in complying with the demands and expectations we meet from customers, public authorities and other stakeholders. We have strengthened our work on innovation, both within the SpareBank 1 Alliance and within our own group, in order to further develop business models and create new customer offerings.

#### **Retail Banking**

We wish to incentivise our retail customers to opt for sustainability by offering attractive products. We offer green mortgages to customers who buy a new house with an A or B energy rating, who build a new house with an A or B energy rating, or refurbish an older house to an A, B or C energy rating. In order to qualify for a green mortgage, the customer must have an energy certificate as documentation. We also offer mortgages to young people and first-home mortgages – products offering equal opportunities to all.

We also offer green loans to energy-oriented initiatives under Enova’s support arrangements. The objective is to enable customers to implement energy-efficient measures secured on their own property. In conjunction with the energy supplier NTE we also offer finance on favourable terms to customers wishing to acquire a solar cell installation.

#### *Links and references*

Annual report 2023 – Reducing the carbon footprint in our loan portfolios (Page 67-70).

<sup>12</sup> A client engagement process is a process of supporting clients towards transitioning their business models in line with sustainability goals by strategically accompanying them through a variety of customer relationship channels.

<sup>13</sup> Sustainable economic activities promote the transition to a low-carbon, more resource-efficient and sustainable economy.

In addition we offer green deposits and sustainable mutual fund solutions. These are savings products for those who want to be certain that their savings will contribute to reducing greenhouse gas emissions. Green deposits carry somewhat lower interest rates than other products, but are on the other hand used to finance green loans. We can accept green deposits matching our volume of green loans.

In 2023 we established a financial health team. The object is to offer improved and more focused crisis preparedness to customers who are struggling with unmanageable debt problems. We do this by establishing an interdisciplinary team including expertise in financial advice (in the bank), debt advice (external) and psychology specialist competence (external). Research shows the reciprocal effect between financial problems and mental health problems. The team's object is provide customers facing major debt challenges with the best help they can get. By this means we shoulder an important responsibility for the particular customer, but also a social responsibility.

### **Corporate Banking**

As part of the green transition for our customers we have set about establishing products for our corporate customers related to sustainability financing and transitional financing. We already employ repayment profiles and other loan terms and conditions that take account of a customer's sustainability profile, for example energy ratings for buildings. These are aspects of the advice given to our corporate customers with a view to reducing greenhouse gas emissions/intensity and ESG risk. We have introduced differentiation of LTV-ratios and repayment profiles and the option of paying dividend to companies that depends on how we view ESG risk at customer level. All else equal, buildings in a low energy category will be entitled to borrow less and be subject to a shorter repayment period.

Sustainability is an important aspect of the customer dialogue in general and of assessments using the ESG model. Sustainability assessments are an integral part of the credit evaluation of loan customers, but also important for awareness raising and enhancing the competency of adviser and corporate customer alike.


We have set up a sustainability area for our customer advisers in Corporate Banking to facilitate access to tools, presentations, transition plans and internal course programmes in the sustainability area.

Sustainable value creation is an integral part when developing new sustainable revenue flows. We work with all UN sustainability goals on a broad front. However, based on our business lines and the updated materiality analysis, eight of those goals have somewhat higher priority.

- Goal 8: Decent work and economic growth
- Goal 9: Industry, innovation and infrastructure
- Goal 10: Reduced inequalities

<ul style="list-style-type: none"> <li>• Goal 11: Sustainable cities and communities</li> <li>• Goal 12: Responsible consumption and production</li> <li>• Goal 13: Climate action</li> <li>• Goal 16: Peace, justice and strong institutions</li> <li>• Goal 17: Partnerships for the goals</li> </ul> <p>More information about the efforts conducted by our subsidiaries (SpareBank 1 Regnskapshuset SMN, EiendomsMegler 1 Midt-Norge and SpareBank 1 Finans Midt-Norge) can be found in the annual report.</p> <p><b>EU Taxonomy</b> The EU Taxonomy took effect in Norway on 1 January 2023 with the first reporting due in 2024 (for the reporting year 2023). As a credit institution we are a highly important actor in the allocation of capital to sustainable economic activities, and are accordingly a part of the first wave of reporting on the Taxonomy in Norway. Total taxonomy-aligned assets over covered assets was 5,7% for 2023.</p>	
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# Principle 4: Stakeholders

 We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

**4.1 Stakeholder identification and consultation**

*Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder groups<sup>14</sup>) you have identified as relevant in relation to the impact analysis and target setting process?*

Yes       In progress       No

Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

<p><i>Response</i></p> <p>Our continuous stakeholder dialogue provides us with inputs and</p>	<p><i>Links and references</i></p> <p><a href="#">Stakeholder Dialogue</a></p>
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<sup>14</sup> Such as regulators, investors, governments, suppliers, customers and clients, academia, civil society institutions, communities, representatives of indigenous population and non-profit organizations

expectations that contribute to the development of our knowledge base, priorities and customer offering:

- Solid stakeholder management gives us valuable information and a better foundation for good decision making
- Our ownership model ensures that the local community is represented in the bank’s governing bodies, and our business model builds on local knowledge and relations with the populace throughout the region.

We conduct a continuous stakeholder dialogue with an ever growing network of stakeholders. This is part of our endeavour to ensure a coherent and long-term approach to our creation of value for equity certificate holders, customers, employees and the community. A summary of the most significant stakeholders is shown below.



We aspire to meet the demands and expectations of the group’s various stakeholders in an open and constructive manner.

Our Stakeholder Dialogue elaborates further on the group’s stakeholder management process.

# Principle 5: Governance & Culture



We will implement our commitment to these Principles through effective governance and a culture of responsible banking

## 5.1 Governance Structure for Implementation of the Principles

Does your bank have a governance system in place that incorporates the PRB?

Yes       In progress       No

Please describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support the effective implementation of the Principles. This includes information about

- which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to),
- details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as
- remuneration practices linked to sustainability targets.

### Response

The following roles with ensuing descriptions are central to the policy:

Director, Group Finance and Governance (CFO) has overarching responsibility for the group's sustainability effort

Director, Risk Management has responsibility for sustainability as an integral part of the group's risk and capital management.

Director, Technology and Development (CTO) is responsible for sustainability as an integral part of the group's innovation and business development.

Directors and CEOs are responsible for preparing guidelines for, and compliance with, the group's sustainability strategy.

Group chief sustainability officer (CSO) is responsible for developing and managing the group's ESG competencies and sustainability strategy, directing the work of the group's ESG Committee, assisting customer acquisition when needed, and for representing the group at relevant venues and networks.

Group accounting manager is responsible for integrated reporting of financial and non-financial information.

Finance manager is responsible for integrating sustainability into forecasts, planning processes and corporate governance.

### Links and references

[Sustainability policy](#)

Report on remuneration and emoluments to senior personnel 2023

SpareBank 1 SMN Pillar 3 disclosures  
([Capital adequacy](#) | [SpareBank 1 SMN](#))

Real estate and procurement manager is responsible for sustainability as an integral part of the group's property management and purchasing practices, including due diligence assessments of the group's suppliers.

Manager, Treasury is responsible for sustainability as an integral part of the group's funding and liquidity management, and in its own investments.

Director, Communication and Brand is responsible for the group's external and internal sustainability communication, and for ensuring that community dividend resources are not allocated to organisations that fall short of the group's expectations as to accountability in regard to climate and environment, social conditions and corporate governance.

Director, Legal Services is responsible for identifying new legislation and regulatory requirements governing the group.  
All managers and staff members in the group have an independent responsibility for ensuring compliance with the group's sustainability policy.

The Compliance Function is responsible for shaping and implementing relevant compliance checks, and for recommending improvements as and when needed. Observed weaknesses or breaches of compliance with this policy are communicated via a quarterly compliance report to the Board of Directors and the Group Management Team.

Governance structures:

- The board of directors approves the annual report, relevant policies and the group's sustainability strategy, which forms the input in the PRB-reporting.
- SpareBank 1 SMN's sustainability policy applies in full to subsidiaries and to partly owned companies/joint ventures where SpareBank 1 SMN has effective control through majority ownership, voting rules or operating responsibility.
- The group's sustainability efforts will be followed up as part of the respective companies' risk management and internal control process
- Significant failures of compliance with the group's sustainability strategy will be recorded as incidents in the Betr database (internal CRM system)
- Policies and procedures published in the Sustainability Library will be in conformance with internal governance documents, processes and practices
- The group's ESG steering committee coordinates joint activities and processes in accordance with its mandate, and meets on a monthly basis

The Group's remuneration policy is based on the Group's overarching objectives and risk management objectives. Competitive

<p>remuneration is aspired as it supports the recruitment and retention of senior staff with both relevant and necessary competencies required to fulfill the Group's strategic objectives. Targets and objectives related to ESG is a part of the Group's strategic objectives and risk management objectives.</p> <p>As a general rule SpareBank 1 SMN does not establish variable remuneration based on performance. However, where variable remuneration schemes are established due to market- or industry-related factors, the guidelines in the remuneration policy shall apply. Information about the full amount of remuneration paid to individual members of the board and executive management team can be found on smn.no.</p>	
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**5.2 Promoting a culture of responsible banking:**  
 Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).

<i>Response</i>	<i>Links and references</i>
<p>SpareBank 1 SMN will provide necessary and regular training programmes and guidance to ensure that group employees are in a position to assess the risk picture and to fulfil their obligations under this sustainability policy.</p> <p>The Board of Directors, Group CEO and other executives have a particular responsibility for raising awareness and for setting a good example as role models of accountability in the climate and environment context. The tone from the top should be made visible through references to the sustainability policy.</p> <p>In 2023, competence building in the field of sustainability, digitalisation and ethics was at centre stage.</p> <p>We aspire to be a driver for green transition, and in 2023 sustainability become more integrated into the group's business models and employees' working day. We have sought to harness the effects of competence-building programmes in the sustainability field that were held in conjunction with Æra in 2023. We also made available a broad range of courses and learning resources linked to sustainability in general and to sustainable finance in particular.</p> <p>All staff members and employee representatives must be recognised for their high ethical standard. All, regardless of role and position, are expected to display conduct which inspires confidence, and is honest and fair and square. The ethical guidelines are encapsulated in four overarching key principles: the duty of confidentiality, financial independence, loyalty and personal integrity. Conduct and actions must underpin the group's role as a responsible and central social actor, supported by goals and strategies for corporate social responsibility and sustainability.</p>	<p><a href="#">Sustainability policy</a></p> <p>Annual report 2023 – Strengthening role-based competence-enhancing programmes with a focus on ESG for our own staff (page 77-78)</p> <p>Annual report 2023 – Maintaining ethical standards (Page 78-79)</p> <p>Annual report 2023 – People and organisation (Page 95-99).</p>

All customer treatment and advice must conform to the industry's requirements as to good practices. Customers' needs and interests must be attended to through good information and advice that enables them to make conscious and well-informed choices.

A set of guidelines has been drawn up specifically to prevent bribery and corruption. The ethical guidelines also emphasise that group staff members may in no circumstance receive financial benefits in any form from the group's customers or suppliers.

Persons with managerial responsibility have an obligation to familiarise their staff members with our ethical guidelines. New staff members receive a thorough introduction to the guidelines at an early stage of the employment relationship.

### 5.3 Policies and due diligence processes

Does your bank have policies in place that address environmental and social risks within your portfolio?<sup>15</sup> Please describe.

Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.

#### *Response*

#### **Environmental risk**

As SpareBank 1 SMN's primary exposure to environmental risk lies within the corporate loan portfolio, and handling this specific environmental risk is highly prioritized. To further increase the efficiency of the bank's environmental risk management in corporate lending, the following focal areas have been identified:

- Scoring corporate customers with engagements exceeding NOK 10 million through our ESG-model. The model scores corporate customers from 0-10 on several sustainability factors (E, S & G), additionally giving them a total score. The score aims to reflect the environmental risk of the borrower which leads to an increase/decrease in credit risk, and the final outcome of an approval process.
- Further improvement of measuring downstream (financed) GHG-emissions using both PCAF and Finance Norway's guidelines for measuring financed emissions. As corporate lending constitutes the Group's primary exposure to environmental risk, standardized and accurate data is a necessity that further enables us to funnel time and resources to prioritize the most GHG-intensive sectors and monitor the development other watchlist sectors. As a part of Finans Norge we follow the development of PCAF closely

#### *Links and references*

Annual report 2023 – Ensuring long-term profitability and competitiveness (Page 51-62)

Annual report 2023 – Reducing the carbon footprint in loan portfolios (page 62-71)

[Climate risk strategy](#)

SpareBank 1 SMN Pillar 3 disclosures ([Capital adequacy | SpareBank 1 SMN](#))

<sup>15</sup> Applicable examples of types of policies are: exclusion policies for certain sectors/activities; zero-deforestation policies; zero-tolerance policies; gender-related policies; social due diligence policies; stakeholder engagement policies; whistle-blower policies etc., or any applicable national guidelines related to social risks.



<p>and aim to incorporate updates to the methodology in both internal and external reporting.</p> <ul style="list-style-type: none"> <li>• Monitoring industries and companies exposed to environmental risk and adapting the bank's risk management accordingly.</li> <li>• Using the Green Finance Framework updated by SpareBank 1 SMN in 2024 to allocate proceeds from Green Finance Instruments to loans, credits and investments.</li> </ul> <p><b>Social risk</b> The ESG-model is used in screening all credit engagements above NOK 10 million. The model examines whether the company applying for credit:</p> <ul style="list-style-type: none"> <li>• is aware of actual or potential breaches of fundamental human rights or decent working conditions in own operations and/or in the supply chain</li> <li>• has policies that takes social risk into account</li> <li>• has communicated guidelines and expectations to suppliers</li> <li>• carries out due diligence of its own and has measures in place to manage potential breaches</li> <li>• works systematically on gender equality and diversity</li> </ul> <p>At the end of 2023, 87 % of our credit engagements exceeding NOK 10 million was reviewed by using the ESG-model.</p> <p>See reference documents for more information about how SpareBank 1 SMN addresses ESG-risk.</p>	
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<p><b>Self-assessment summary</b></p> <p>Does the CEO or other C-suite officers have regular oversight over the implementation of the Principles through the bank's governance system?</p> <p><input checked="" type="checkbox"/> Yes <span style="margin-left: 200px;"><input type="checkbox"/> No</span></p> <p>Does the governance system entail structures to oversee PRB implementation (e.g. incl. impact analysis and target setting, actions to achieve these targets and processes of remedial action in the event targets/milestones are not achieved or unexpected neg. impacts are detected)?</p> <p><input checked="" type="checkbox"/> Yes <span style="margin-left: 200px;"><input type="checkbox"/> No</span></p> <p>Does your bank have measures in place to promote a culture of sustainability among employees (as described in 5.2)?</p> <p><input checked="" type="checkbox"/> Yes <span style="margin-left: 50px;"><input type="checkbox"/> In progress</span> <span style="margin-left: 100px;"><input type="checkbox"/> No</span></p>
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# Principle 6: Transparency & Accountability



We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

## 6.1 Assurance

Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?

Yes       Partially       No

If applicable, please include the link or description of the assurance statement.

*Response*

See auditor's assurance report (PWC)

*Links and references*

## 6.2 Reporting on other frameworks

Does your bank disclose sustainability information in any of the listed below standards and frameworks?

- GRI  
 SASB  
 CDP  
 IFRS Sustainability Disclosure Standards (to be published)  
 TCFD  
 Other: ....

*Response*

SpareBank 1 SMN reports in accordance with the reporting standard Global Reporting Initiative (GRI). The group's reporting integrates both financial and non-financial results. The work is verified annually by an external auditor.

SpareBank 1 SMN also discloses climate risk information in accordance with the TCFD recommendations.

*Links and references*

Annual report 2023 – Ensuring long-term profitability and competitiveness (Page 57-62)

Annual report 2023 – GRI Index (Page 259-266).

## 6.3 Outlook

What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis<sup>16</sup>, target setting<sup>17</sup> and governance structure for implementing the PRB)? Please describe briefly.

<i>Response</i>	<i>Links and references</i>
<p>In the next 12 month-reporting period we will perform the following steps:</p> <ul style="list-style-type: none"> <li>• Continue developing transition plans for remaining sectors in which we have material exposure</li> <li>• Gather insight from circular economy project</li> <li>• Develop targets in line with the Paris Agreement (SBTi)</li> <li>• Strengthen ESG data quality and availability</li> <li>• Continue building ESG competencies and capacity</li> <li>• Finalize double materiality analysis in accordance with ESRS</li> <li>• Disclose in line with ESRS</li> </ul>	

<sup>16</sup> For example outlining plans for increasing the scope by including areas that have not yet been covered, or planned steps in terms of portfolio composition, context and performance measurement

<sup>17</sup> For example outlining plans for baseline measurement, developing targets for (more) impact areas, setting interim targets, developing action plans etc.

## 6.4 Challenges

Here is a short section to find out about challenges your bank is possibly facing regarding the implementation of the Principles for Responsible Banking. Your feedback will be helpful to contextualise the collective progress of PRB signatory banks.

What challenges have you prioritized to address when implementing the Principles for Responsible Banking? Please choose what you consider the top three challenges your bank has prioritized to address in the last 12 months (optional question).

If desired, you can elaborate on challenges and how you are tackling these:

- |  |  |
|--|--|
| <input type="checkbox"/> Embedding PRB oversight into governance                               | <input type="checkbox"/> Customer engagement             |
| <input type="checkbox"/> Gaining or maintaining momentum in the bank                           | <input type="checkbox"/> Stakeholder engagement          |
| <input type="checkbox"/> Getting started: where to start and what to focus on in the beginning | <input checked="" type="checkbox"/> Data availability    |
| <input type="checkbox"/> Conducting an impact analysis   | <input checked="" type="checkbox"/> Data quality         |
| <input checked="" type="checkbox"/> Assessing negative environmental and social impacts        | <input type="checkbox"/> Access to resources             |
| <input checked="" type="checkbox"/> Choosing the right performance measurement methodology/ies | <input checked="" type="checkbox"/> Reporting            |
| <input type="checkbox"/> Setting targets   | <input type="checkbox"/> Assurance                       |
| <input type="checkbox"/> Other: ...  | <input type="checkbox"/> Prioritizing actions internally |

If desired, you can elaborate on challenges and how you are tackling these:

# Annex

A set of indicators has been produced for the impact areas of climate mitigation and financial health & inclusion. These indicators will support you in your reporting and in showing progress against PRB implementation. Banks are expected to set targets that address minimum two areas of most significant impact within the first four years after signing the PRB. That means that Banks should ultimately set targets using impact indicators. Acknowledging the fact that banks are in different stages of implementation and on different levels of maturity and therefore might not be able to report on impact from the beginning, a Theory of Change approach has been used to develop the set of indicators below.<sup>18</sup> The Theory of Change shows the **pathway to impact** and considers the relationship between inputs, actions, outputs, and outcomes in order to achieve impact. The Theory of Change for climate mitigation can be found [here](#), the Theory of Change for financial health & inclusion can be found [here](#).

**How to use:** Both practice (action, outcome and output) and impact performance need to be understood because practice is the conduit for achieving desired impacts (including targets). The Theory of Change allows to identify metrics and set targets which align with a bank's maturity. The indicators below are all connected to a bank's impact and can be considered as steps towards measuring impact. Some of the practice indicators (on the action, output, and outcome levels respectively) are connected to portfolio composition and financial targets<sup>19</sup> (highlighted in **green**) or to client engagement<sup>20</sup> targets (highlighted in **blue**), which enable your overall target. If your bank has prioritized climate mitigation and/or financial health & inclusion as (one of) your most significant impact areas, it is strongly recommended to report on the indicators in the Annex to measure your performance and baseline.<sup>21</sup> Once you have set the target, you can use the indicators as guidance for your action plan as well as defining Key Performance Indicators (KPIs) which you can then use to measure progress against the set targets.

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<sup>18</sup> It is not required from banks to work with the Theory of Change concept internally. In fact, the Theory of Change has been used to structure the requirements of setting SMART targets using relevant indicators.

<sup>19</sup> Financial targets also aim for real economy outcomes but are not directly expressed as such. Instead, they are expressed with financial indicators and metrics, e.g., to redirect flows of lending and investments to sectors, activities or projects aligned with SDGs and/or related to the selected impact area. Banks can also set financial targets related to specific types of customers e.g., low-income customers or female entrepreneurs.

<sup>20</sup> Client engagement targets involve engaging relevant clients and customers to enable your overall target. The purpose of client engagement is to support clients towards transitioning their business models in line with sustainability goals by strategically accompanying them through a variety of customer relationship channels.

<sup>21</sup> You might not be able to report on all indicators and/or or levels of practice (i.e. from left to right), in which case you should report on all applicable indicators on the respective level of practice no matter if it is an action, output or outcome indicator.

- **For Signatories of the Net-Zero Banking Alliance:** please report on the climate targets set as required in the [Guidelines for Climate Target Setting](#). As a member of the Alliance, you are required to publish first 2030 targets for priority sectors within 18 months and further sectoral targets within 36 months after signing. You can use the PRB template to disclose the required climate target information if its publication date is in line with the committed NZBA timeframe.
- **For Signatories of the Collective Commitment to Financial Health & Inclusion:** please report on financial health and/or financial inclusion targets set as required in the [Financial Health and Inclusion Commitment Statement](#). As a signatory to the Commitment, you have agreed to set a SMART ambitious target within 18 months after signing. To facilitate your process, please refer to the [Guidance on Target Setting for Financial Health and Inclusion](#) and the [Core Indicators](#) to measure financial health and inclusion. Keep in mind that signatories of the Commitment are encouraged to measure as many indicators as possible from the Core Set or their equivalent to be able to set a SMART impact driven target.

Impact area	Practice <sup>22</sup> (pathway to impact)									Impact <sup>23</sup>		
	1. Action indicators			2. Output indicators			3. Outcome indicators			4. Impact indicators		
	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics
A. Climate change mitigation	A.1.1	<b>Climate strategy:</b> Does your bank have a climate strategy in place?	Yes / In progress / No	A.2.1	<b>Client engagement process:</b> Is your bank in an engagement process with clients regarding their strategy towards a low(er)-carbon business model (for business clients), or towards low(er)-carbon practices (for retail clients)?	Yes / Setting it up / No;  If yes: Please specify for which clients (types of clients, sectors, geography, number of clients etc.)	A.3.1	<b>Financial volume of green assets/low-carbon technologies:</b> How much does your bank lend to/invest in green assets / loans and low-carbon activities and technologies?	bln/mn USD or local currency, and/or % of portfolio; please specify the definition of green assets and low-carbon technologies used	A.4.1	<b>Reduction of GHG emissions:</b> how much have the GHG emissions financed been reduced?	% over time; baseline and tracking GHG emissions in kg of CO <sub>2</sub> e (or applicable metrics) <sup>24</sup>
	A.1.2	<b>Paris alignment target:</b> Has your bank set a long-term portfolio-wide Paris-alignment target? To become net zero by when?	Yes / In progress / No;  If yes: - please specify: to become <b>net zero by when?</b> - <b>Emissions baseline / base year:</b> What is the emissions baseline / base	A.2.2	<b>Absolute financed emissions:</b> What are your absolute emissions (financed emissions = scope 3, category 15) in your lending and/or	Total GHG emissions or CO <sub>2</sub> e (please also disclose what is excluded for now and why)	A.3.2	<b>Financial volume lent to / invested in carbon intensive sectors and activities and transition finance:</b> How much does your bank lend to / invest in carbon-intensive	bln/mn USD or local currency, and/or % of portfolio	A.4.2	<b>Portfolio alignment:</b> How much of your bank's portfolio is aligned with Paris (depending on the target set [A.1.2] either 1.5 or 2 degrees)?	% of portfolio (please specify which portfolio; for corporate and business clients: % of sectors financed)

<sup>22</sup> Practice: the bank's portfolio composition in terms of key sectors, its client engagement, and its relevant policies and processes, and, if applicable, its advocacy practices

<sup>23</sup> Impact: the actual impact of the bank's portfolio

<sup>24</sup> If possible and/or necessary, please contextualize the progress: Greenhouse gas emissions might even increase initially because the scope of measurements is extended and financed emissions from a growing proportion of the portfolio are measured, emission factors are updated etc. Emission reductions made by the clients should over time lead to a decrease in GHG emissions financed.

		year for your target? - <b>Climate scenario used:</b> What climate scenario(s) aligned with the Paris climate goals has your bank used?		investment portfolio?			sectors and activities <sup>25</sup> ? How much does your bank invest in transition finance <sup>26</sup> ?			
<b>A.1.3</b>	<b>Policy and process for client relationships:</b> has your bank put in place rules and processes for client relationships (both new clients and existing clients), to work together towards the goal of transitioning the clients' activities and business model?	Yes / In progress / No	<b>A.2.3</b>	<b>Sector-specific emission intensity</b> (per clients' physical outputs or per financial performance): What is the emission intensity within the relevant sector?	Please specify which sector ( <i>depending on the sector and/or chosen metric</i> ): kg of CO <sub>2</sub> e/kWh, CO <sub>2</sub> e / m <sup>2</sup> ; kg of CO <sub>2</sub> e/USD invested, or kg of CO <sub>2</sub> e/revenue or profit					
<b>A.1.4</b>	<b>Portfolio analysis:</b> Has your bank analyzed (parts of) its lending and/or investment portfolio in terms of financed emissions (Scope 3, category 15); technology mix or carbon-intensive sectors in the portfolio?	Yes / In progress / No;  <i>If yes:</i> please specify which parts of the lending and investment portfolio you have analyzed	<b>A.2.4</b>	<b>Proportion of financed emissions covered by a decarbonization target:</b> What proportion of your bank's financed emissions is covered by a decarbonization target, i.e. stem from clients with	% <i>(denominator: financed emissions in scope of the target set)</i>					

<sup>25</sup> A list of carbon-intensive sectors can be found in the [Guidelines for Climate Target Setting](#).

<sup>26</sup> Transition finance is defined as financing the transition towards a low-carbon future in alignment with the Paris climate goals. It entails any form of financial support for non-pure play green activities to become greener and reduce emissions.



	<b>A.1.5</b>	<b>Business opportunities and financial products:</b> Has your bank developed financial products tailored to support clients' and customers' reduction in GHG emissions (such as energy efficient mortgages, green loans, green bonds, green securitisations etc.)?	Yes / In progress / No; Please specify which ones, and what financial volume and/or % of the portfolio they account for		a transition plan in place?							
<b>B. Financial health</b>	<b>B.1.1</b>	# of products and services in the portfolio with a focus on financial health	Internal data based. Measures how many of the products and services in the portfolio have a financial health focus. We deem a product or service to have this focus when it facilitates decision making and supports financial health increase based on our definition of financial health. This covers products and services embedded with nudges to simplify decision making, round-up, high yield savings accounts, easy investment tools, etc.	<b>B.2.1</b>	# of individuals supported with dedicated and effective financial and/or digital education initiatives	Based on internal data. Measures the number of users (customers and non customers) of financial and/or digital skills-building initiatives offered by the bank. An initiative encompasses courses, programs, training videos, articles, SMS education campaigns, etc. Dedicated means that the initiative was specially created for a defined group of individuals (in many cases a prioritized group). Effective	<b>B.3.1</b>	% of individuals with a good and/or very good level of financial skills	Assessment based. Measures the percentage of individuals with a good and/or very good level of financial skills according to the assessment chosen by the financial institution. Should be measured on individuals benefitting from the bank's financial education initiatives.	<b>B.4.1</b>	% of customers with a high level of financial health	Survey and/or transactional data based. Measures the percentage of customers with a high level of financial health according to the score chosen by the financial institution.

					means that the bank has measured if the initiative is successful in generating the desired results of stronger financial skills, and thus, any individual that is supported with the initiative will achieve the desired results. A bank can't count a click as an individual so we encourage that the data is presented as # of individuals for deanonymized users and # of interactions for anonymized users.							
	B.1.2	% of relevant employees supported with effective training on financial inclusion, responsible credit and/or financial health	Based on internal data. Measures the percentage of relevant employees supported with effective training on financial inclusion, responsible credit and/or financial health. Including training to attend the needs of prioritized groups. Effective means that the bank has measured if the initiative is successful in generating the desired results of	B.2.2*	% of customers actively using the online/mobile banking platform/tools	Transactional data based. Measures the percentage of customers logging in, at least once a month, to one of the following digital platforms (measure those applicable for your bank): Online internet banking and/or mobile phone banking and/or digital tools (including	B.3.2	% of customers who use the bank's services to create a financial action plan with the bank	Transactional and/or survey data based. Measures the percentage of customers who create a financial action plan with the bank using the bank's services. A financial action plan is anything that helps the customer build financial resilience. It is done "with the bank" if the bank can visualize,	B.4.2	% of customers for which spending exceeded 90% of inflows for more than 6 months last year	Survey and/or transactional data based. Measures the percentage of customers with a transaction account and/or savings/investment accounts for which spending exceeded 90% of inflows for more than 6 months in the year within the reporting period compared to the total of customers within PRB scope. Focus on main

			stronger skills, and thus, any individual that is supported with the initiative will achieve the desired results. Relevant employees are those the bank prioritizes in the training program due to their direct impact on the customers' financial health			financial health tools)			through the transactions of the customer, the results of the plan.			financial institution customers.
	B.1.3	# of partnerships active to achieve financial health and inclusion targets	Based on internal data. Measures the number of partnerships currently active to achieve financial health and inclusion targets. By active we mean that are currently undergoing actions and generating results. We suggest disclosing the results of the partnerships in the commentary of the reports.				B.3.3	% of customers using overdraft regularly	Transactional data based. Measures the percentage of customers using the overdraft option in their accounts or credit cards, regularly. Overdraft can be used to handle unexpected emergencies but more than 1/3 of the year (banks may deviate if proper reasons are provided) denotes regularity and a precursor to lower financial health	B.4.3	% of customers that feel confident about their financial situation in the next 12 months	Survey based data. Measures the percentage of customers that answered positively to feeling confident about their financial situation in the next 12 months compared to the total number of customers surveyed. By confident we mean not feeling worried about their financial situation.
							B.3.4	% of customers with a non-performing loan	Transactional data based. Measures the percentage of customers with past-due loans ("past due"	B.4.4	% of customers with products connected to long-term saving and investment plans	Transactional and/or survey data based. Measures the percentage of customers with products

								defined by policies at each bank) compared to the total amount of customers with loans in the bank's lending portfolio.			connected to long-term saving and investment plans. "Long-term" will depend on each bank's definition.	
							B.3.5	% of customers showing an increase or stable amounts in savings, deposit and/or investment account balances, quarter on quarter.	Transactional data based. Measures the percentage of customers showing an increase or stable amounts in savings and/or deposit AND/OR investment accounts balances, quarter on quarter.	B.4.5	% of customers that would struggle to raise emergency funds or cover with insurance a major unexpected expense	Survey based data. Measures the percentage of customers that would struggle to raise emergency funds or cover with insurance a major unexpected expense. We consider a major unexpected expense, one that the customer hadn't planned for and would require them to spend more than what they have available for secondary expenses in their monthly budget or 1/20th of the country's Gross National Income (banks may deviate if proper reasons are provided). A good example is: unforeseen medical bills, large appliance malfunctioning, car repair, etc. Survey based

												using the question: "If a major unexpected expense arises, how can you cover it right now?" and give the multiple choice options of insurance, emergency funds, loan, credit card, family/friends, etc.
<b>C. Financial Inclusion</b>	<b>C.1.1</b>	# of products and services in the portfolio with a focus on financial inclusion	Internal data based. Measures how many of the products and services in the portfolio have a financial inclusion focus. We deem a product or service to have this focus when its design facilitates the access and usage by the prioritized customer. For example, no-fee savings account, low interest microloan, offline access or sim-based banking apps, etc	<b>C.2.1</b>	# of individuals supported with dedicated and effective financial and/or digital education initiatives	Based on internal data. Measures the number of users (customers and non customers) of financial and/or digital skills-building initiatives offered by the bank. An initiative encompasses courses, programs, training videos, articles, SMS education campaigns, etc. Dedicated means that the initiative was specially created for a defined group of individuals (in many cases a prioritized group). Effective means that the bank has measured if the initiative is	<b>C.3.1</b>	% of individuals with a good and/or very good level of financial skills	Assessment based. Measures the percentage of individuals with a good and/or very good level of financial skills according to the assessment chosen by the financial institution. Should be measured on individuals benefitting from the bank's financial education initiatives.	<b>C.4.1</b>	% of customers with 2 or more active financial products, from different categories, with the bank	Transactional data based. Measures the percentage of customers with 2 or more active financial products, from different categories, with the bank. By active we mean there's at least one usage per month. By category we mean credit/debt, savings/deposit/payment, insurance, investment, etc. Once a target has been set for this indicator, we encourage banks to ensure responsible selling policies or other initiatives so that the target doesn't become a toxic incentive.

					successful in generating the desired results of stronger financial skills, and thus, any individual that is supported with the initiative will achieve the desired results. A bank can't count a click as an individual so we encourage that the data is presented as # of individuals for deanonymized users and # of interactions for anonymized users.						
	C.1.2	% of relevant employees supported with effective training on financial inclusion, responsible credit and/or financial health	Based on internal data. Measures the percentage of relevant employees supported with effective training on financial inclusion, responsible credit and/or financial health. Including training to attend the needs of prioritized groups. Effective means that the bank has measured if the initiative is successful in generating the desired results of stronger skills, and thus, any individual that is supported with the initiative	C.2.2	% of customers with effective access to a basic banking product	Transactional data based. Measures the percentage of customers with effective access to a basic banking product. By effective we mean the usage beyond first access. Basic banking products vary by bank. Good examples are: checking accounts, payment accounts, credit cards, saving accounts, deposit accounts, e-	C.3.2	% of customers supported with dedicated customer journey/advisory services	"Transactional data based. Where dedicated customer journey/advisory services are in place for prioritized groups, this indicator measures the percentage of customers using such services. Depending on size of bank, either number or percentage can be the unit of measure.		

			will achieve the desired results. Relevant employees are those the bank prioritizes in the training program due to their direct impact on the customers' financial health			money accounts, etc.						
	C.1.3	# of partnerships active to achieve financial health and inclusion targets	Based on internal data. Measures the number of partnerships currently active to achieve financial health and inclusion targets. By active we mean that are currently undergoing actions and generating results. We suggest disclosing the results of the partnerships in the commentary of the reports.	C.2.3	# of new customers per month	Transactional data based. Measures the number of new customers per month. Once the bank sets a target, this indicator can become a KPI to measure the percentage of new customers from the prioritized groups, per month.	C.3.3*	% of customers actively using the online/mobile banking platform/tools	Transactional data based. Measures the percentage of customers logging in, at least once a month, to one of the following digital platforms (measure those applicable for your bank): Online internet banking and/or mobile phone banking and/or digital tools (including financial health tools, if applicable)			